



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
26 May 2005

Original: English

Annual session 2005

13 to 24 June 2005, New York

Item 17 of the provisional agenda

Funding commitments to UNFPA

UNITED NATIONS POPULATION FUND

**FUNDING COMMITMENTS TO UNFPA:
REPORT ON CONTRIBUTIONS BY MEMBER STATES TO
REGULAR AND OTHER RESOURCES FOR 2005 AND FUTURE YEARS***

Report of the Executive Director

Introduction

1. This report is prepared in response to Executive Board decisions 99/5 and 2000/9, which requested the Executive Director to provide annually updated estimates of regular resources and other resources from co-financing arrangements, in the multi-year funding framework (MYFF). Since the introduction of the multi-year funding format and the MYFF in 2000, UNFPA has been actively campaigning for, and receiving, pledges on a continuous basis, not only for the current year, but for future years as well. The present report follows on the report on contributions to UNFPA regular and other resources for 2004 and future years (DP/FPA/2004/10) that was submitted to the Executive Board at its annual session in 2004.

2. The purpose of this report is to promote dialogue between UNFPA and its Executive Board on the Fund's overall resource situation while continuing to address the common and important goal of increasing regular resources and achieving a stable and predictable resource base. The report contains a number of tables and charts on UNFPA regular and other resources (from co-financing arrangements). Additional data are provided in the annexes. The donor income figures are stated on a cash basis and therefore are inclusive of exchange gains and losses. To be able to meet the schedule for submission of the report to the Executive Board for the 2005 annual session, the data for 2005 in this document are based on information received and pledges recorded as of 1 April 2005. It should be noted that 2004 figures are provisional.

* The collection and analysis of current date required to present the Executive Board with the most up-to-date information has delayed submission of the present document.



A. Income overview

Table 1: UNFPA income, 2000 to 2005
as of 1 April 2005
(in millions of \$)

	2000	2001	2002	2003	2004*	2005**
Regular	264.0	268.7	260.1	292.3	331.6	360.0
Other***	102.9	122.2	101.2	89.9	131.1	80.0
	366.9	390.9	361.3	382.2	462.7	440.0

* Provisional

** Projected

*** Only includes co-financing arrangements

B. Factors affecting UNFPA income situation in 2005

3. Table 1 shows that the year 2004 was a notable year for UNFPA with total resources (regular and co-financing) reaching nearly \$462.7 million, the Fund's highest total ever. The total income for UNFPA in 2004 was \$331.6 million in regular resources and \$131.1 million for co-financing arrangements. The increase in income for regular resources in 2004 from a level of \$292.3 million in 2003 was \$39.3 million or 13.4 per cent. The increase in income for co-financing arrangements from a level of \$89.9 million in 2003 to \$131.1 million in 2004 was \$41.2 million or 45.8 per cent.

4. The substantial increase in the 2004 regular income level to \$331.6 million was due to larger contributions from nine major donors, namely, Australia, Belgium, Denmark, Finland, Germany, Luxembourg, New Zealand, Sweden and the United Kingdom; as well as the impact of favourable exchange rates of the euro and other currencies against the US dollar. The increase in the 2004 co-financing income was due to larger contributions to the reproductive health commodity security trust fund, including from the Member States of the European Union and the European Commission.

5. The projected increase in the 2005 regular income level to \$360 million compared to \$331.6 million in 2004 for regular resources is due to: (a) the impact of favourable exchange rates of the euro and other currencies against the US dollar; and (b) increased contributions in terms of national currencies from seven major donors.

6. Australia increased its contribution by 8.7 per cent (13 per cent in US dollars). Canada, as part of its first ever multi-year commitment to a United Nations agency, increased its contribution by 9.5 per cent over 2004 (an estimated increase of 20.1 per cent in US dollars). Finland, as part of its multi-year commitment, increased its contribution by 5.2 per cent over 2004 (17.3 per cent in US dollars). France increased its contribution substantially by 104.9 per cent over 2004 (121 per cent in US dollars). Ireland increased its contribution by 15.0 per cent (20.9 per cent in US dollars). New Zealand, as part of its

multi-year commitment, increased its contribution by 7 per cent (13.9 per cent in US dollars). Norway increased its contribution by 4.3 per cent (15.9 per cent in US dollars). Finally, Sweden increased its contribution substantially by 31.5 per cent (42.1 per cent in US dollars).

7. The income overview in table 1 is supplemented by annex 3 and shows the preliminary 2005 forecast as of 1 April 2005. Based on official pledges already received and best estimates from other donors, the total contributions income projection for 2005 (regular and co-financing arrangements) amounts to approximately \$440 million. This includes the regular contributions of \$360 million and \$80 million for co-financing arrangements. The latter estimate of \$80 million is harder to predict due to the flexible nature of co-financing decisions. The Fund maintains its hope for a better result beyond the \$100 million benchmark.

8. The current 2005 forecast of \$360 million in regular contributions is an increase of approximately \$28.4 million (7.9 per cent) from the provisional 2004 level of \$331.6 million. Early payments would help UNFPA to avoid cash flow difficulties and to ensure uninterrupted programme support. UNFPA would encourage all donors to provide pledges as early as possible.

9. Vigorous advocacy efforts are under way to attract larger contributions from major countries of the Organisation for Economic Co-operation and Development (OECD). Currently, four countries, namely, the Netherlands, Sweden, Norway and the United Kingdom account for about half of the UNFPA regular resources. UNFPA is therefore focusing its efforts to achieve financial stability, by maintaining its donor base, i.e., 166 donor governments in 2004, an increase of 17 donors from 2003, and securing a higher level of pledges for 2005 from those major donors who are in a position to do so. UNFPA is also trying to convince certain OECD countries that are contributing below the \$1 million benchmark to become major donors, contributing at least \$1 million. In recent years, Ireland, Luxembourg and New Zealand have become major donors to the Fund.

10. The income overview provided in table 1 is supplemented by annex 1, which provides detailed information on 2004 income as of 31 December 2004, actual pledges and the best estimates of contributions to UNFPA regular resources for the years 2005 and future years as of 1 April 2005. These commitments include the following: (a) pledges received from Governments at the first UNFPA pledging event on multi-year funding, which took place during the second regular session of the Executive Board in 2000; (b) multi-year pledges received in 2005 and other pledges received for 2005 as of 1 April 2005; (c) pledges for 2005 received during the United Nations Pledging Conference for 2005, held on 6 November 2004; and (d) letters received and verbal indications from Governments pledging support to UNFPA for the period 2005 to 2008. As of 1 April 2005, a total of 83 countries have submitted written pledges to UNFPA for the year 2005. It should be noted that the balance of unpaid pledges is calculated using the United Nations operational rate of exchange effective 1 April 2005.

C. Multi-year pledges for the period 2000 to 2005

Table 2: Number of donors that submitted multi-year pledges to UNFPA regular resources, by region, 2000 to 2005 as of 1 April 2005

	2000	2001	2002	2003	2004	2005
Africa	4	12	13	8	24	19
Arab States	1	1	1	2	3	2
Asia and the Pacific	3	2	5	5	8	4
Europe	7	10	9	4	9	5
Latin America and the Caribbean	1	2	2	1	5	3
North America	0	0	0	0	0	1
Total	16	27	30	20	49	34

11. Table 2 shows the multi-year pledges to UNFPA regular resources received by year from 2000 to 2005. In 2000, out of a total of 100 donors, 16 multi-year pledges were received and only three major donors (contributing US\$1 million and over) were able to submit their pledges in this format, namely, the Netherlands, Sweden and the United Kingdom. In 2001, out of a total of 121 donors, 27 multi-year pledges were received and only five major donors were able to submit pledges in this format, namely Belgium, Ireland, the Netherlands, Sweden and the United Kingdom. In 2002, out of a total of 136 donors, 30 multi-year pledges were received but only six major donors were able to submit their pledges in this format, namely, Belgium, Finland, Ireland, the Netherlands, Sweden and the United Kingdom. In 2003, out of a total of 149 donors, 20 multi-year pledges were received but only one major donor, the Netherlands, was able to submit its pledge in this format. In 2004, out of a total of 166 donors, 49 multi-year pledges were received but only five major donors were able to submit their pledges in this format, namely, Belgium, Finland, the Netherlands, New Zealand and the United Kingdom.

12. As of 1 April 2005, out of a total of 83 donors, 34 multi-year pledges were received but only five major donors were able to submit their pledges in this format. It is encouraging to note that the number of multi-year pledges received in 2004 increased by 135 per cent, from 20 to 49. It is unfortunate, however, that only five major donors have pledged in this format. Also, in 2004, the benchmark of 150 donor countries was surpassed and a total number of 166 donors contributed to UNFPA regular resources, a new record for UNFPA, and the highest number for any agency in the United Nations system. This is certainly a significant increase from 1999 when there were only 69 donors. This achievement can be attributed in no small part to the initiative shown by most of the programme countries, particularly in the Africa and Asia regions. However, to make the multi-year pledging format more meaningful, the number of major donors pledging in the multi-year format needs to increase. Details on the donors that submitted multi-year pledges to regular resources are presented in annex 2 of this report.

13. UNFPA has joined the other United Nations funds and programmes, namely, UNDP, UNICEF and WFP, to jointly emphasize to its donors and its Executive Board, the importance of regular resources which constitute each agency's core programme funds. The funds and programmes have worked during the last several years under the direction and guidance of their respective Executive Boards, to put in

place results-based management systems that strengthen effectiveness and efficiency in the use of regular resources for achieving the Millennium Development Goals (MDGs).

D. Organisation for Economic Co-operation and Development donors

Table 3: OECD/DAC donors that may increase, maintain or reduce respective contributions to UNFPA regular resources for 2005, compared with 2004 (in national currency terms)

<u>2004</u>			<u>2005</u>		
					
increased	maintained	reduced	increase	maintain	reduced
Australia Belgium Denmark Finland Germany Luxembourg New Zealand Sweden United Kingdom	Canada France Ireland Italy Netherlands Norway	Japan Switzerland	Australia Canada Finland France Ireland New Zealand Norway Sweden	Belgium Denmark Germany Luxembourg Netherlands Switzerland United Kingdom	Japan Italy

14. Table 3 shows the following with regard to OECD contributions to UNFPA regular resources for 2004. As of 1 April 2005:

- Eight countries, Australia, Canada, Finland, France, Ireland, New Zealand, Norway and Sweden increased their contributions from the 2004 level in terms of both national currency and US dollars;
- Seven countries, Belgium, Denmark, Germany, Luxembourg, Netherlands, Switzerland and the United Kingdom are expected to maintain their contributions at the 2004 level in national currency terms. Due to the strength of the euro and other currencies, there are substantial increases in US dollar equivalent of the contributions of these countries;
- Two countries, Japan and Italy reduced their contributions.

Additional details on OECD contributions to regular resources are presented in annex 4 and annex 5.

E. Campaign to end fistula

15. Since the launch of the campaign to end fistula, there has been a good response from the donor community, including contributions from the Governments of Australia, Austria, Canada, Finland,

Luxembourg, New Zealand, Sweden and Switzerland, as well as from the United Nations Trust Fund for Human Security. Additionally, support for the campaign has broadened to include individuals, foundations and the corporate sector. Virgin Unite, a charitable organization bringing together all 200 Virgin companies, and the London office of Young and Rubicam, a leading advertising agency, have agreed to provide in kind media and marketing support to raise awareness about the campaign to end fistula, thereby further increasing UNFPA visibility within the United Kingdom and encouraging support for the campaign among both the general public and policy makers. During 2004, the campaign mobilized \$9.48 million bringing the total raised since the campaign's launch to \$10.5 million. The generous support received from donors in 2004 enabled UNFPA to successfully support many countries in their efforts to prevent and treat fistula. Fistula puts a human face on reproductive health issues and provides an entry point for advocacy on broader issues of universal access to reproductive health services and gender equality.

F. Thematic trust fund on reproductive health commodity security

16. In October 2004, on the occasion of the General Assembly's commemoration of the tenth anniversary of ICPD, the Netherlands, as President of the European Union, announced on behalf of the European Union Member States a contribution of \$75 million to UNFPA for reproductive health commodities. In response, UNFPA has set up a thematic trust fund on reproductive health commodity security, into which donors can channel and pool funding for reproductive health commodities. The donors that have already made commitments are Austria, Canada, Cyprus, the Czech Republic, Denmark, Estonia, the European Commission, Finland, Luxembourg, the Netherlands, Portugal, Spain, Sweden, the United Kingdom, and the United Nations Fund for International Partnerships (UNFIP). As of 1 April 2005, out of the total of \$82.7 million in pledges, contributions of \$40.7 million were paid. To date, the largest payment received was from the Netherlands in the amount of \$33.8 million. Moreover, payments were received from Cyprus - \$0.01 million; Denmark - \$1.1 million; Estonia - \$0.04 million; Finland - \$1.3 million; Luxembourg - \$0.5 million; Portugal - \$0.3 million; Sweden - \$2 million; Canada - \$1.6 million; as well as a contribution in kind from the Czech Republic.

G. UNFPA resources, 2003–2007

Table 4: UNFPA income for 2003 to 2004 and projections for 2005 to 2007
as of 1 April 2005
(in millions of \$)

Resources	2003	2004	2005	2006	2007
Regular	292.3	331.6	360.0	369.0	378.0
Other*	89.9	131.1	80.0	80.0	80.0
Total	382.2	462.7	440.0	449.0	458.0

Resources	% Change Inc/(Dec) 2003-2004	% Change Inc/(Dec) 2004-2005	% Change Inc/(Dec) 2005-2006	% Change Inc/(Dec) 2006-2007
Regular	13.4	8.6	2.5	2.5
Other*	45.8	(39.0)	0	0
Total	21.1	(4.9)	2.0	2.0

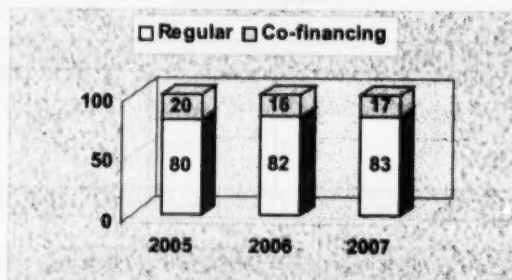
* Refers to co-financing arrangements. Figures for 2004 are provisional and for the years 2005 to 2007, they are projections.

17. Table 4 summarizes the resource data for the period 2003 to 2007. For regular resources, income to UNFPA in 2004 increased by 13.4 per cent from the 2003 level. As of 1 April 2005, the projected regular income for 2005 is 8.6 per cent more than that in 2004. UNFPA anticipates that regular resources in 2005 will increase to approximately \$360 million or higher, depending on the level of major donor support and the exchange rate fluctuations. Regular resources are also expected to increase by at least 2.5 per cent and reach the \$360 million to \$380 million range for both 2006 and 2007. The Fund will make every effort to increase income to the \$400 million level. However, to accomplish this UNFPA needs the support and advocacy of its Executive Board members. This target is consistent with the regular resource requirements for the UNFPA MYFF for the period 2004–2007 in the amount of \$1.4 billion. UNFPA regular resource requirements for 2004–2007, as contained in the MYFF report were estimated at \$1.2 billion, and are now being revised, subject to Board endorsement, to \$1.4 billion (see DP/FPA 2005/7, Part I).

18. One way to increase regular resources to UNFPA would be for donor countries to increase the percentage of official development assistance (ODA) allocated for population assistance. UNFPA welcomes the fact that a number of OECD countries have established firm dates to reach the 0.7 per cent ODA target, for example, Ireland, by 2007, Belgium and Finland by 2010, France and Spain by 2012, and the United Kingdom by 2013. Furthermore, Canada intends to double its ODA between 2000 and 2010. UNFPA hopes that this increased ODA effort will be translated into higher contributions to the Fund and that the number of major donors will increase from 17 to at least 20 in the near future. In this context, UNFPA welcomes the recent agreement by the European Union External Relations Council (24 May

2005) to a new collective European Union target of 0.56 per cent ODA/GNI by 2010, that would result in additional annual 20 billion euros ODA by that time.

Table 5: Projected percentage distribution of regular and co-financing arrangements, 2005 to 2007
(in millions of \$)



19. Table 5 shows the projected percentage distribution of regular and co-financing arrangements. As of 1 April 2005, regular resources for 2005 are projected to make up 82 per cent of the total income, while co-financing arrangements will make up 18 per cent. Projections for 2006 and 2007 are also reflected in table 5. The gradual trend of certain donors to increase contributions to co-financing arrangements has stabilized. UNFPA will continue to stress the importance of increasing regular resources and maintaining a high percentage of regular resources as part of the Fund's total contributions income. Increasing resources and securing a diverse and solid donor base will remain high priorities for UNFPA.

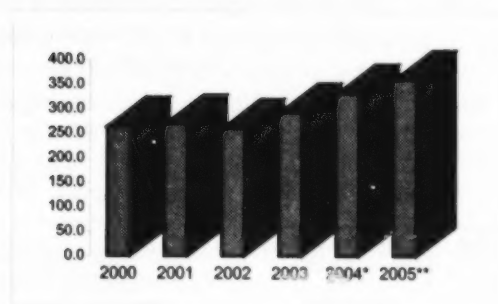
H. Percentage share of contributions by UNFPA major donors (those contributing \$1 million and over) for 2004 and 2005, as of 1 April 2005

20. As of 31 December 2004, out of the 166 donors to UNFPA regular resources, 17 major donors provided about 97 per cent of the total regular resources contributions to UNFPA. The percentage breakdown in US dollar terms is: Netherlands (22.1 per cent), Japan (12.1 per cent), United Kingdom (11.3 per cent), Sweden (11.0 per cent), Norway (10.2 per cent), Denmark (9.1 per cent), Germany, (5.4 per cent), Finland (4.9 per cent), Switzerland (3.0 per cent), Canada (2.9 per cent), Belgium (1.2 per cent), Ireland (1.0 per cent), Italy (0.9 per cent), New Zealand (0.6 per cent), Australia (0.5 per cent), France (0.4 per cent), and Luxembourg (0.3 per cent). The remaining 149 donors accounted for approximately 3 per cent of the total regular resources. As of 1 April 2005, it is estimated that 17 major donors will account for approximately 98 per cent of the total contributions to UNFPA for 2005. It is a UNFPA goal to broaden the base of support to the Fund's regular resources, and discussions are ongoing with many major donor countries to increase their regular contributions.

I. Income trends from 2000 to 2005

**Table 6: UNFPA income trends
2000 - 2005 - regular resources
as of 1 April 2005
(in millions of US\$)**

Year	Regular Income	% inc/(dec)
2000	264.0	
2001	268.7	1.8
2002	260.1	(3.2)
2003	292.3	12.4
2004*	331.6	13.4
2005**	360.0	8.6
	1,777	

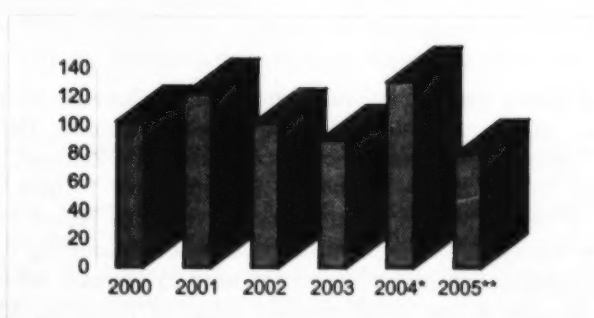


* Provisional

** Projection

**Table 7: UNFPA income trends
2000 - 2005 - co-financing arrangements
as of 1 April 2005
(in millions of US\$)**

Year	Co-financing Income	% inc/(dec)
2000	102.9	
2001	122.2	18.8
2002	101.2	(17.2)
2003	89.9	(11.2)
2004*	131.1	45.8
2005**	80.0	(39.0)
	627.3	



* Provisional

** Projection

21. As indicated in table 6, in 2004, there was a 13.4 per cent increase in regular resources over the 2003 level due to the increases in contributions from nine of the Fund's major donors, i.e., Australia, Belgium, Denmark, Finland, Germany, Luxembourg, New Zealand, Sweden and the United Kingdom. In

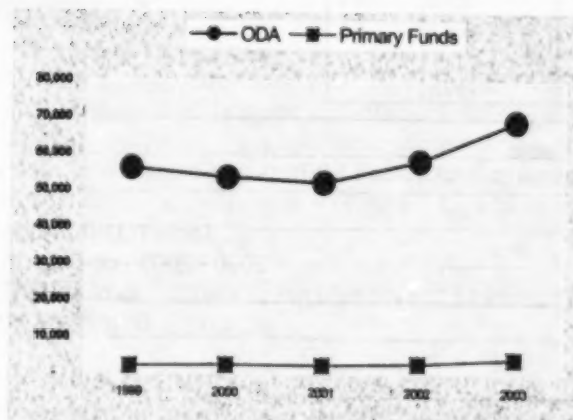
2005, it is projected that there will be an 8.5 per cent increase in regular resources over the 2004 level due to the increases in contributions from Australia, Canada, France, Ireland, Norway and Sweden. The Netherlands will remain the top donor of UNFPA with a contribution over \$70 million.

22. As seen in table 7, in 2004, the contribution for co-financing arrangements was \$131.1 million and this included payments to the reproductive health commodity trust fund of \$38.6 million. In 2005, it is projected that the contribution for co-financing arrangements will be \$80 million.

J. Official development assistance

Table 8: Official development assistance of OECD/DAC countries
(Primary funds for population assistance)
(in millions of \$)

Years	Total ODA	Primary Funds for Population Assistance
1999	56,184	2,321
2000	53,739	2,579
2001	52,335	2,521
2002	58,274	3,013
2003	69,029	4,300
Total	289,561	14,734



23. Table 8 shows the primary funds from ODA allocated for population assistance by the major donor countries, namely: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States. These OECD/DAC countries contributed approximately \$289,651 million of ODA for the five-year period 1999-2003. Out of this total ODA, \$14,734 million was allocated for population assistance, accounting for approximately 5.1 per cent of the total. ODA for population assistance would need to increase substantially if the international donor community is to achieve the ICPD resource target of providing \$5.7 billion annually for population assistance.

Conclusion

24. UNFPA is reviewing its financial situation, and analysing its cash flow. In this connection, UNFPA appeals to all donor Governments, particularly the major donors, for the submission of their pledges and payment schedules. The inability in a number of cases to secure early and timely

commitments, a firm payment schedule and early payments of pledges, remains an obstacle to the Fund's ability to contribute more fully to the implementation of the ICPD Programme of Action and the achievement of the MDGs. UNFPA is especially appreciative of those donors who have made early payments. It is clear that only through the active support and shared responsibility with the Executive Board members will the Fund be able to ensure a more predictable cash flow and a stable income base.

25. UNFPA values its close collaboration with the 166 donors contributing to the Fund and appreciates their generous commitment and unwavering support. It is in this spirit that UNFPA appeals to the members of the Executive Board and all members of the Fund's donor family to consider increasing their contributions for 2005 and future years to the highest level that their circumstances will permit.

26. UNFPA is closely involved and a full partner in helping countries to achieve the MDGs, particularly, those aimed at improving maternal health (goal 5) and combating HIV/AIDS (goal 6). Since the time that the HIV/AIDS pandemic began, more than 60 million people have been infected. AIDS is the world's fourth largest killer, with 10 new HIV infections taking place every minute. UNFPA could scale up in HIV prevention and other key areas if more support were provided to the Fund. The issues addressed by the Fund, such as HIV/AIDS, have become far more serious than imagined. At the same time, health care costs have risen. Thus, it is imperative that the Fund's regular income continue to grow to a level of \$400 million. Increased resources would enable UNFPA to expand its programmes to help countries attain the goals of the ICPD and the Millennium Declaration.

27. In view of the inextricable links between population, reproductive health, poverty and the MDGs, the work of UNFPA is a key factor for attaining many of the MDGs. Because of the increasing demands for assistance among developing countries and countries with economies in transition for population and reproductive health, UNFPA presents data in annex 6 of this report on the highest levels of contributions to the Fund's regular resources by OECD/DAC members and the additional funds needed to reach the highest peak targets achieved by each donor throughout the years of reference. If all countries were able to contribute at their highest levels, the total regular income of the Fund would be \$439 million.

28. Annex 6 also presents the status of the 2005 pledges to UNFPA regular resources of its OECD/DAC donors. Out of the 29 OECD/DAC members, only 17 members, namely, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hungary, Ireland, Mexico, the Netherlands, New Zealand, Norway, Sweden, Turkey and the United Kingdom have submitted their written pledges to UNFPA.

29. UNFPA recalls the Monterrey Consensus adopted in March 2002 at the International Conference on Financing for Development, and expresses the hope that the announced increases of ODA of many OECD/DAC countries for the next few years will directly lead to increasing contributions to UNFPA. The Fund is pleased to report that almost all the new European Union members pledged a contribution during 2004. UNFPA is strengthening its partnerships with the new Member States of the European Union and hopes that they will increase their contributions to the Fund.

30. Finally, it is essential that UNFPA continue to focus the bulk of its resource mobilization efforts on increasing regular resources. While obtaining increases in co-financing arrangements of the Fund is important, it must be emphasized that regular resources are the foundation and bedrock of the Fund's operations. UNFPA is steadfast in its belief that the Fund's resource mobilization philosophy and long-term strategy should be built on a strong and secure base of regular resources supplemented by various combinations of co-financing funding. This is critical to enable UNFPA to support countries in

implementing the ICPD Programme of Action and achieving the MDGs and is essential for maintaining the multilateral nature of the Fund's work.

K. Elements for a decision

31. The Executive Board may wish to:

(a) Take note of the present report (DP/FPA/2005/8) and welcome the substantial increase in the 2004 regular income level, as well as the increase in 2004 co-financing income, resulting from increased contributions from a number of donors; and also welcome the contributions made by programme countries, enabling UNFPA to reach its highest ever number of donors;

(b) Welcome the projected increase in the 2005 regular income level;

(c) Recognize that sustaining and improving the UNFPA funding level will require countries that are in a position to do so to augment their funding efforts during the period of the UNFPA MYFF, 2004-2007;

(d) Emphasize that UNFPA needs strong political and financial support, as well as increased and predictable core funding, in order to carry out its mandate and assist countries in implementing the ICPD Programme of Action and achieving the MDGs;

(e) Encourage all countries, in a position to do so, to make contributions early in the year and to make multi-year pledges;

(f) Reiterate that regular resources are the bedrock of UNFPA and essential to maintaining the multilateral, neutral and universal nature of its work;

(g) Encourage UNFPA to continue to mobilize supplementary resources for its programmes, bearing in mind that core resources remain the bedrock of the resource mobilization strategy of UNFPA.

Annexes

- Annex 1 UNFPA regular resources income for 2004 and commitments/estimates for 2005 and future years (by major donors and geographic regions) as of 1 April 2005
- Annex 2 Donors that submitted multi-year pledges to UNFPA regular resources by year, 2000 to 2005, as of 1 April 2005
- Annex 3 Major donors to UNFPA regular resources - projected pledges and contributions of US\$1 million and over, as of 1 April 2005
- Annex 4 Major donors to UNFPA regular resources - projected pledges and contributions of US\$ 1 million and over, as of 1 April 2005 (2004 and 2005 percentage differences)
- Annex 5 Percentage share of contributions by DAC donors to UNFPA regular resources income for 2004 and projected for 2005 (in millions of US\$) as of 1 April 2005
- Annex 6 Highest level of contribution to UNFPA regular resources from OECD/DAC members

**ANNEX 1: UNFPA Regular Resources for 2004
and Commitments/Estimates for 2005 and Future Years
(By Major Donors and Geographic Regions)**

Governments	2004 1/ Contributions		2005 2/ Pledges & Estimates *		2006 2/ Pledges		2007 2/ Pledges		2008 2/ Pledges	
	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.
Major Donors										
Australia	2.3	1,734,540	2.5	1,959,248						
Belgium	3.0	3,816,794	3.0	3,891,051	3.0	3,891,051	3.0	3,891,051	3.0	3,891,051
Canada	13.1	9,632,353	14.3	11,572,581	14.3	11,572,581	14.9	12,272,727	14.9	12,272,727
Denmark	180.0	29,588,149	180.0	31,609,821						
Finland	13.5	15,936,019	14.2	18,692,206	14.5	18,806,744				
France	1.2	1,492,762	2.5	3,299,386						
Germany	14.5	17,704,075	14.3	18,658,270						
Ireland	2.5	3,157,960	2.9	3,816,993						
Italy	2.3	2,818,627	2.0	2,594,034						
Japan		39,517,000		37,541,150						
Luxembourg	0.9	1,121,951	0.9	1,193,256						
Netherlands	58.5	72,205,489	58.5	75,924,773						
New Zealand	2.80	1,877,840	3.0	2,138,266	2.0	1,428,571	2.0	1,428,571	2.0	1,428,571
Norway	230.0	33,177,749	240.0	38,439,850						
Sweden	270.0	35,941,524	355.0	51,085,905						
Switzerland	12.4	9,945,614	12.4	10,291,667						
UK	20.0	36,789,071	20.0	37,664,783	20.0	37,664,783	20.0	37,664,783		
Sub-total		316,457,517		350,373,040		73,363,736		88,257,132		17,582,349
Africa Region										
Angola		12,060		5,000		5,000		5,000		5,000
Benin		3,407		4,000		4,000		4,000		4,000
Botswana		3,958		4,500		4,500		4,500		4,500
Burkina Faso	1.0	1,868	1.0	1,857						
Burundi	1.0	926								
Cameroon	10.00	20,219								
Central African Rep.	0.30	607								
Chad		200								
Comoros		500								
Congo, Dem. Rep.		3,000		3,000		3,000		3,000		3,000
Cote D'Ivoire		15,000		15,000						
Equatorial Guinea		300								
Eritrea		1,250								
Ethiopia	0.03	3,476	0.03	3,464	0.03	3,464	0.03	3,464	0.03	3,464
Gabon		9,387								
Gambia		1,667								
Ghana		25,000		12,500		12,500		12,500		12,500
Guinea		4,000		4,000		4,000		4,000		4,000
Kenya		4,712		5,000		5,000				
Lesotho	0.020	2,875								
Liberia		40,000		10,000		10,000		10,000		10,000
Madagascar	16.1	1,634	16.2	8,942	16.5	9,096	17.0	6,372	17.2	9,482
Malawi		3,000		3,000		3,000				
Mali	3.5	6,421	3.5	6,921	3.5	6,921	3.5	6,921		
Mauritania	0.40	1,517	0.5	1,902	0.5	1,902	0.5	1,902	0.5	1,902
Mauritius	0.1	3,537		1,000						
Mozambique		1,000								
Namibia		1,500								
Republic of Congo		11,141		2,000						
Rwanda		500		300		300				
Sao Tome and Principe	20.0	2,010								
Senegal	9.0	18,617								

Governments	2004 1/ Contributions		2005 2/ Pledges & Estimates *		2006 3/ Pledges		2007 2/ Pledges		2008 2/ Pledges	
	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.
Seychelles		2,011								
Sierra Leone	30.0	12,245	30.0	11,538	30.0	11,538	30.0	11,538	30.0	11,538
Somalia		100		100		100				
South Africa	0.100	22,948	0.1	23,126						
Swaziland		10,000		10,000		10,000		10,000		
Tanzania, Uni. Rep.		5,381								
Togo	3.00	6,066								
Uganda		10,175								
Zambia		2,128		2,000		2,000				
Zimbabwe		127		161						
Sub-total		276,470		138,311		86,321		86,197		69,386
Asia and Pacific Region										
Afghanistan		100								
Azerbaijan	5.0	1,000								
Bangladesh		27,925								
Bhutan		5,650								
Cambodia		2,696		200						
China		900,000		900,000						
Cook Islands	0.001	717								
Dem. Peo. Rep. Korea		10,337								
Fiji	5.000	2,994	0.005	4,050						
India	9.0	195,440		200,000						
Indonesia	297.5	33,052								
Iran		49,009								
Kazakhstan		10,000								
Kiribati	0.02	9,111								
Kyrgyzstan	0.05	1,164	0.05	1,164						
Lao Peo. Dem. Rep.		1,500		1,500						
Malaysia		15,000		15,000						
Maldives		3,000		5,000						
Marshall Islands		2,000		2,000		2,000				
Micronesia, Fed.				3,000						
Mongolia		4,000		4,000						
Myanmar		121		111						
Nauru		250		500						
Nepal	0.40	5,450	0.4	5,662						
Pakistan		486,099		500,000						
Palau		100								
Papua New Guinea										
Philippines	1.5	27,125								
Republic of Korea		130,000		130,000						
Samoa		5,000		5,000						
Solomon Islands		200								
Sri Lanka		18,000								
Tajikistan		164								
Thailand	3.80	96,632	3.8	96,000						
Timor Leste		500								
Tokelau		400								
Tonga		1,000								
Turkmenistan		1,662								
Tuvalu		3,000		3,000		3,000				
Uzbekistan			1.0	928						
Vanuatu		930	0.1	951		951				
Viet Nam		4,256		4,256						
Sub-total		2,055,584		1,862,322		5,951		-		-

Governments	2004 1/		2005 2/		2006 2/		2007 2/		2008 2/	
	Contributions		Pledges & Estimates *		Pledges		Pledges		Pledges	
	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.
European Region										
Albania		14,318								
Andorra		1,000								
Armenia		1,000								
Austria	0.6	672,525	0.6	778,210						
Bosnia and Herzegovina		1,000								
Bulgaria		2,000								
Croatia		1,000		1,000						
Cyprus		1,500		1,500		1,500		1,500		1,500
Czech Rep.		115,888		115,888						
Estonia		23,633		23,400						
Georgia		1,113								
Greece		10,000								
Hungary	2.50	13,843		9,658						
Iceland		14,741								
Israel		25,000								
Latvia				200						
Liechtenstein		7,813		8,443						
Macedonia		1,500								
Malta										
Moldova		200		200		200		200		200
Poland		14,000								
Portugal		40,000								
Romania		10,064								
Russian Federation		150,000		150,000						
Serbia and Montenegro		200		200						
Slovak Republic		5,924								
Spain		793,759	0.6	719,844						
Turkey		108,000		108,000						
Sub-total		2,029,021		1,916,543		1,700		1,700		1,700
Latin America and the Caribbean Region										
Antigua and Barbuda		1,000								
Bahamas		1,000								
Barbados		3,500								
Belize		2,500								
Bolivia		4,000								
Brazil		15,000								
Chile		5,000								
Colombia		40,000								
Costa Rica		3,600								
Cuba		5,000								
Dominica										
Dominican Rep.		17,561								
El Salvador										
Guatemala		1,568								
Guyana		100								
Haiti		10,000		10,000						
Honduras		3,545								
Jamaica		1,000		985						
Mexico		50,564		50,000		50,000				
Nicaragua		5,000		4,000						
Panama		25,000		10,000						
Paraguay		300								
Peru		1,890		2,000		2,000		2,000		2,000

Governments	2004 1/		2005 2/		2006 2/		2007 2/		2008 2/	
	Contributions		Pledges & Estimates *		Pledges		Pledges		Pledges	
	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.	Local Currency (in mil.)	US\$ Equiv.
Saint Lucia		500		500		500				
Saint Kitts and Nevis		500								
Saint Vincent and Grenadines		300								
Suriname		500								
Trinidad & Tobago		5,000								
Uruguay		12,000								
Venezuela		1,000		5,000						
Sub-total		216,928		82,485		52,500		2,000		2,000
Arab States										
Algeria		10,000		10,000						
Bahrain		5,000								
Djibouti		1,000		1,000						
Egypt		76,872		86,505						
Jordan		52,260								
Kuwait		10,000								
Lebanon										
Morocco		10,019		10,000						
Occup. Palestinian Terr.		965		1,000		1,000		1,000		
Oman	0.01	25,957	0.01	26,008	0.01	26,042				
Qatar		30,000								
Saudi Arabia		300,000		300,000						
Sudan		30,000								
Syrian Arab Republic		2,900								
Tunisia		20,742		20,661						
United Arab Emirates										
Yemen		10,000								
Sub-total		585,515		455,174		27,042		1,000		-
Mars Trust Bequest		900,000		900,000						
Adjustments -										
prior years exch. rates										
Other anticipated contributions (programme countries)				400,000						
Sub-total		900,000		1,300,000		-		-		-
TOTAL CONTRIBUTIONS		322,521,035		356,148,875		73,547,244		55,348,029		17,665,435
Interest Income		3,505,373		3,850,000						
Other Income		5,618,117								
Sub-Total		9,123,490		3,850,000		-		-		-
GRAND TOTAL		331,644,525		359,998,875		73,547,244		55,348,029		17,665,435

1/ Provisional. Figures for 2004 and onwards are inclusive of gains and losses incurred on foreign exchange.

2/ Projections. Unpaid pledges are calculated using the UN Operational rate of exchange on 1 April 2005.

**Annex 2: Donors that Submitted Multi-year Pledges
to UNFPA Regular Resources by Year
2000 to 2005
As of 1 April 2005**

Geographical Region	2000	2001	2002	2003	2004	2005
Africa	Burkina Faso Burundi Mali Mauritius	Benin Burkina Faso Burundi Ghana Mali Mauritania Mauritius Niger Nigeria Rwanda South Africa Zimbabwe	Burkina Faso Burundi Eritrea Ghana Kenya Malawi Mali Mauritania Mauritius Nigeria Rwanda South Africa Zimbabwe	Eritrea Kenya Malawi Mauritania Namibia Somalia South Africa Zimbabwe	Angola Benin Botswana Burkina Faso Burundi Cote D'Ivoire Comoros Congo, Rep. of Congo, Dem. Rep. of Ethiopia Ghana Guinea Kenya Liberia Madagascar Malawi Mali Mauritania Mauritius Rwanda Sierra Leone Somalia Swaziland South Africa Swaziland Zimbabwe	Angola Benin Botswana Burkina Faso Congo, Dem. Rep. Ethiopia Ghana Guinea Kenya Liberia Madagascar Malawi Mali Mauritania Rwanda Sierra Leone Somalia Swaziland Zambia
Total - Africa	4	12	13	8	24	19
Asia and the Pacific	Democratic People's Republic of Korea Nepal New Zealand	Democratic People's Republic of Korea New Zealand	Democratic People's Republic of Korea Marshall Islands Nepal New Zealand Tuvalu	Marshall Islands Nepal Solomon Islands Tuvalu Vanuatu	Kyrgyzstan Marshall Islands Nauru Nepal New Zealand Tuvalu Vanuatu Vietnam	Marshall Islands New Zealand Tuvalu Vanuatu
Total - Asia	3	2	6	5	8	4
Europe	Cyprus Czech Republic Netherlands Romania Russian Federation Sweden United Kingdom	Belgium Bulgaria Cyprus Czech Republic Ireland Netherlands Romania Russian Federation Sweden United Kingdom	Belgium Bulgaria Cyprus Finland Ireland Netherlands Russian Federation Sweden United Kingdom	Bulgaria Greece Netherlands Russian Federation	Belgium Croatia Cyprus Finland Hungary Ireland Moldova Netherlands Russian Federation United Kingdom	Belgium Cyprus Finland Moldova United Kingdom
Total - North America	7	9	9	4	9	5
Canada						Canada
Total - Canada						1
Latin America and the Caribbean	Antigua and Barbuda	Antigua and Barbuda Panama	Antigua and Barbuda Panama	Panama	Mexico Haiti Panama Peru Saint Lucia	Mexico Paru Saint Lucia
Total - LACD	1	2	2	1	5	3
Arab States	Egypt	Egypt	Egypt	Egypt Morocco	Egypt Oman Occupied Palestinian Territory	Oman Palestine
Total - Arab States	1	1	1	2	3	2
Total Number of Donors that Contributed in the Multi-Year Funding Format	16	27	36	26	49	34

ANNEX 3: Major Donors to UNFPA Regular Resources
(Projected Pledges and Contributions of US\$1 Million and Over)
As of 1 April 2005

DONORS	2004 1/				TOTAL (REG RES AND OTHER)	DONORS	2005 2/				
	REGULAR RESOURCES		OTHER RESOURCES 9/ US\$	(Co-financing)			REGULAR RESOURCES		OTHER RESOURCES US\$	(Co-financing)	TOTAL (REG RES AND OTHER)
	NATIONAL CURRENCY	US\$ EQUIV.					NATIONAL CURRENCY	US\$ EQUIV.			
Netherlands	58,538,000	72,205,489	4/	38,809,054	111,014,543	Netherlands	58,538,000	75,924,773	4/	700,000	76,624,773
Japan		39,517,000	4/	1,000,000	40,517,000	Sweden	355,000,000	51,085,905	4/		51,085,905
United Kingdom	20,000,000	36,789,071	4/	4,996,150	41,785,221	Norway	240,000,000	38,439,850	4/	2,000,000	40,439,850
Sweden	270,000,000	35,941,524	4/	5,122,995	41,064,519	United Kingdom	20,000,000	37,664,783	4/	6,528,891	44,193,674
Norway	230,000,000	33,177,749	4/	3,019,955	36,197,704	Japan		37,541,150	4/	5,500,000	43,041,150
Denmark	180,000,000	29,588,149	4/	3,214,038	32,802,187	Denmark	180,000,000	31,609,621	4/		31,609,621
Germany	14,316,173	17,447,904	4/	1,207,729	18,555,633	Germany	14,316,173	18,658,270	4/	8,141,113	26,799,383
	193,153	256,171	3/		256,171	Finland	14,150,000	18,692,206	4/	36,716	18,728,922
Finland	13,450,000	15,936,019	4/	2,652,520	18,588,539	Canada	14,350,000	11,572,581	4/	440,663	12,013,244
Switzerland	11,500,000	9,200,000	4/	1,014,625	10,214,625	Switzerland	12,350,000	10,291,667	5/		10,291,667
	850,000	745,614	3/		745,614	Belgium	3,000,000	3,891,051	4/	171,469	4,062,520
Canada	13,100,000	9,832,353	4/	2,114,452	11,746,805	Ireland	2,920,000	3,816,993	4/		3,816,993
Belgium	3,000,000	3,816,794	4/		3,816,794	France	2,500,000	3,299,386	4/		3,299,386
Ireland	2,539,000	3,157,960	4/	428,615	3,586,575	Italy	2,000,000	2,594,034	4/		2,594,034
Italy	2,300,000	2,818,627	4/		2,818,627	New Zealand	2,000,000	1,423,980	4/	710,100	2,134,080
New Zealand	2,800,000	1,877,840	4/	1,780,394	3,658,234		1,000,000	714,286	3/		714,286
Australia	2,300,000	1,734,540	4/	295,889		Australia	2,500,000	1,959,248	4/		1,959,248
France	1,220,000	1,492,781	4/		3,007,885	Luxembourg	920,000	1,193,256	5/	2,564,072	3,757,328
Luxembourg	920,000	1,121,951	4/	1,885,934	900,000	China		900,000	5/	1,000,000	1,900,000
China		900,000	4/		900,000	Austria	600,000	778,210	4/		778,210
Spain	555,000	736,074	4/		736,074	Spain	555,000	725,490	5/		719,844
		57,885			57,885	Pakistan		500,000	4/		500,000
Austria	550,000	672,525	4/	212,595	885,120	Saudi Arabia		300,000	5/		300,000
Pakistan		500,000	4/		500,000	India		200,000	4/		200,000
Saudi Arabia		300,000	4/		300,000	Russian Fed.		150,000	4/		150,000
India	9,000,000	195,440	4/		195,440	Rep. Of Korea		130,000	5/		130,000
Russian Federation		150,000	4/		150,000	Czech Rep		115,888	5/		115,888
Republic of Korea		130,000	4/		130,000	Turkey		108,000	4/		108,000
Czech Republic		115,888	4/		195,440						
Turkey		108,000	4/		108,000						
SUBTOTAL		320,323,128		67,754,948	384,634,435	SUBTOTAL		354,280,628		27,793,024	382,068,006
Other regular contributions		1,297,907			1,297,907	Other regular contributions		968,245			968,245
Other co-financing payments received				58,471,181	58,471,181	Other co-financing payments received				14,100,778	14,100,778
2004 Anticipated Co-financing Contributions					-	2005 Anticipated Co-financing Contributions				36,094,924	36,094,924
Mars Trust		900,000			900,000	Mars Trust		900,000			900,000
UNFIP (Actual Payments)				4,983,079	4,983,079	UNFIP (Actual Payments)				2,011,274	2,011,274
SUBTOTAL		2,197,907		63,454,260	65,652,167	SUBTOTAL		1,868,245		52,206,976	54,075,221
TOTAL CONTRIBUTIONS		322,521,035		131,209,205	456,286,602	TOTAL CONTRIBUTIONS		356,148,873		80,000,000	436,148,873
Estimated Interest Receivable		3,505,373			3,505,373	Estimated Interest Rec.		3,850,000			3,850,000
Other Income		5,618,117				Other Income					
SUBTOTAL		9,123,490			3,505,373	SUBTOTAL		3,850,000			3,850,000
GRAND TOTAL		331,644,525		131,209,205	462,853,730	GRAND TOTAL		359,998,873		80,000,000	439,998,873

1/ Data for 2004 - Inclusive of the gain and losses incurred on foreign exchange. The dollar value of some unpaid pledges are calculated using the UN exchange rate in effect on 31 Dec. 2004.

2/ Data for 2005 are best estimates and the dollar value is calculated using the UN exchange rate in effect on 1 April 2005, and inclusive of the gain and losses incurred on foreign exchange.

3/ Additional Contribution.

4/ Official Pledges Received.

5/ Official Pledges Not yet Received.

ANNEX 4: Major Donors to UNFPA Regular Resources
(Projected Pledges and Contributions of US\$1 Million and Over)
As of 1 April 2005 (2004 and 2005 Percentage Differences)

	2004 NATIONAL CURRENCY	2005 NATIONAL CURRENCY	PERCENTAGE INC/(DEC) IN NATL. CURR.	2004 US DOLLAR EQUIV.	2005 US DOLLAR EQUIV.	PERCENTAGE INC/(DEC) IN US DOLLAR EQUIV.
CATEGORY 1 - INCREASED IN NATIONAL TERMS AND RESULTED IN INCREASES IN US DOLLAR TERMS (TOTAL - 8 COUNTRIES)						
AUSTRALIA	2,300,000	2,500,000	8.7	1,734,540	1,959,248	13.0
CANADA	13,100,000	14,350,000	9.5	9,632,353	11,572,581	20.1
FINLAND	13,450,000	14,150,000	5.2	15,936,019	18,692,206	17.3
FRANCE	1,220,000	2,500,000	104.9	1,492,762	3,299,386	121.0
IRELAND	2,539,000	2,920,000	15.0	3,157,960	3,816,993	20.9
NEW ZEALAND	1,800,000	2,000,000	7.0	1,268,640	1,423,980	13.9
	1,000,000	1,000,000	-	609,200 a/	714,286	
NORWAY	230,000,000	240,000,000	4.3	33,177,749	38,439,850	15.9
SWEDEN	270,000,000	355,000,000	31.5	35,941,524	51,085,905	42.1
CATEGORY 2 - MAY MAINTAIN IN NATIONAL TERMS AND RESULTED IN INCREASES IN US DOLLAR TERMS (TOTAL OF 7 COUNTRIES)						
BELGIUM	3,000,000	3,000,000	-	3,816,794	3,891,051	1.9
DENMARK	180,000,000	180,000,000	-	29,588,149	31,609,621	6.8
GERMANY	14,316,173	14,316,173		17,447,904	18,658,270	6.9
	193,153			256,171 a/		
LUXEMBOURG	920,000	920,000	-	1,121,951	1,193,256	6.4
NETHERLANDS	58,538,000	58,538,000	-	72,205,489	75,924,773	5.2
SWITZERLAND	12,350,000	12,350,000	-	9,945,614	10,291,667	7.4
UK	20,000,000	20,000,000	-	36,789,071	37,664,783	2.4
CATEGORY 3 - MAY DECREASE LEVEL IN US DOLLAR (2 COUNTRIES)						
ITALY	2,300,000	2,000,000	(13.0)	2,818,627	2,594,034	(8.0)
JAPAN			-	39,517,000	37,541,150	(5.0)

a/ additional contributions.

Note: Balance of unpaid pledges are calculated using the UN operational exchange rate effective 1 April 2005.

**Annex 5: Percentage Share of Contributions by DAC Donors
to UNFPA Regular Resources Income for 2004 and Projected for 2005
(in millions US\$)
As of 1 April 2005**

DAC MEMBERS	2004* CONTRIBUTIONS TO REGULAR RESOURCES		DAC MEMBERS	2005** CONTRIBUTIONS TO REGULAR RESOURCES	
	in millions US\$	(in percentage) %		in millions US\$	(in percentage) %
Australia	1.7	0.5	Australia	2.0	0.6
Austria	0.4	0.1	Austria	0.8	0.2
Belgium	3.8	1.1	Belgium	3.9	1.1
Canada	9.6	2.9	Canada	11.6	3.3
Denmark	29.6	8.9	Denmark	31.6	8.8
Finland	15.9	4.8	Finland	18.7	5.2
France	1.5	0.5	France	3.3	0.9
Germany	17.7	5.3	Germany	18.7	5.2
Greece	0.010	0.0	Greece	0.010	0.0
Ireland	3.2	1.0	Ireland	3.8	1.1
Italy	2.8	0.8	Italy	2.6	0.7
Japan	39.5	11.9	Japan	37.5	10.4
Luxembourg	1.1	0.3	Luxembourg	1.2	0.3
Netherlands	72.2	21.8	Netherlands	75.9	21.1
New Zealand	1.9	0.6	New Zealand	2.1	0.6
Norway	33.2	10.0	Norway	38.4	10.7
Portugal	0.04	0.0	Portugal	0.02	0.0
Spain	0.8	0.2	Spain	0.7	0.2
Sweden	35.9	10.8	Sweden	51.1	14.2
Switzerland	9.9	3.0	Switzerland	10.3	2.9
United Kingdom	36.8	11.1	United Kingdom	37.7	10.5
United States of America	0.0	0.0	United States of America	0.0	
Total - DAC Members	317.6	95.8	Total - DAC Members	351.9	98.0
Total - Others	14.0	4.2	Total - Others	8.1	2.0
Total Regular Resources Income for 2004	331.6	100.0	Total Regular Resources Income for 2005	360.0	100.0

* For 2004, provisional data is based on contributions and pledges received in 2004 as of 31 December 2004 and is inclusive of exchange gains and losses.

** For 2005, projected data is based on best estimates, past trends and actual pledges and contributions as of 1 April 2005. Balances are based on UN operational rate effective 1 April 2005.

**Annex 6: Highest Level of Contributions to UNFPA Regular Resources
from OECD/DAC Members
As of 1 April 2005**

Country	2005 Projected Contributions to UNFPA Regular Resources (in millions of US\$) (US\$ equivalent using UN exchange rate effective 1 April 2005)	Status of 2005 Pledges to UNFPA's Regular Resources As of 1 April 2005	Submission of Multi-year pledges in 2005 or prior years (official written pledges)	Highest Level of Contribution Achieved by the Country to UNFPA Regular Resources based on prior years to 2005	Year the Highest Level of Regular Contributions Received by UNFPA	Additional Funds Needed in 2005 to Reach the Highest Peak Targets Achieved in Past Years (in millions of US\$)
(1)	(2)	(3)		(4)	(5)	(6)
1 Australia	2	Official Written Pledge (received)/ 2005 pledge (fully paid)	None	2.0	1996/2005	0.0
2 Austria	0.7	Official Written Pledge (received)/ first installment payment (received)	None	0.7	1994/2005	0.0
3 Belgium	3.9	Official Written Pledge (received)	2004-2007	4.6	2002	0.7
4 Canada	11.6	Official Written Pledge (received)/ 2005 pledge (fully paid)	2005-2008	12.0	1991	0.4
5 Czech Republic	0.1	Official Written Pledge (not yet received)	None	0.1	1998/2004	0.0
6 Denmark	31.6	Official Written Pledge (received)/ first installment payment (received)	None	47.0	1996	15.4
7 Finland	18.7	Official Written Pledge (received)/ 2005 pledge (fully paid)	2005-2006	24.0	1991	5.3
8 France	3.3	Official Written Pledge (received)/ first installment payment (received)	None	3.3	2005	0.0
9 Germany	18.7	Official Written Pledge (not yet received)/ first installment payment (received)	None	33.0	1995	14.3
10 Greece	0.01	Official Written Pledge (not yet received)	2003-2004	0.03	1982	0.02
11 Hungary	0.01	Official Written Pledge (received)	2004-2005	0.03	1993/2003	0.02
12 Iceland	0.01	Official Written Pledge (not yet received)	None	0.01	2000	0.0
13 Ireland	3.8	Official Written Pledge (received)/ first installment payment (received)	2001-2003	2.7	2003	0.0
14 Italy	2.0	Official Written Pledge (received)	None	3.0	1999/2005	1.0
15 Japan	37.5	Official Written Pledge (received)	None	54.0	1997	16.5
16 Korea, Republic of	0.1	Official Written Pledge (not yet received)	None	0.5	1997	0.4
17 Luxembourg	1.2	Official Written Pledge (not yet received)	None	1.2	2004/2005	0.0
18 Mexico	0.05	Official Written Pledge (received)	None	0.1	1998	0.1
19 Netherlands	75.9	Official Written Pledge (received)	2001-2005	75.9	2005	0.0
20 New Zealand	2.1	Official Written Pledge (received)/ 2005 pledge (fully paid)	2004-2008	2.1	2005	0.0
21 Norway	38.4	Official Written Pledge (received)/ first installment payment (received)	None	33.0	2003	(5.4) 0.0
22 Poland	0	Official Written Pledge (not yet received)	None	0.1	2000	0.1
23 Portugal		Official Written Pledge (not yet received)	None	0.1	1998	0.1
24 Spain	0.7	Official Written Pledge (not yet received)	None	0.6	2003	(0.1)
25 Sweden	51.1	Official Written Pledge (received)/ first installment payment (received)	None	51.1	2005	0.0 0.0
26 Switzerland	10.3	Official Written Pledge (not yet received)	None	10.3	2005	0.0
27 Turkey	0.1	Official Written Pledge (received) 2005 pledge (fully paid)	None	0.1	2003	0.0
28 United Kingdom	37.7	Official Written Pledge (not yet received)	2004-2007	37.7	2005	0.0
29 United States of America	0	Official Written Pledge (not yet received)	None	40.0	1994	40.0
TOTAL	351.6			439.3		88.8



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
15 June 2005

Original: English

Annual session 2005
13 to 24 June 2005, New York
Item 17 of the provisional agenda
Funding commitments to UNFPA

UNITED NATIONS POPULATION FUND

**FUNDING COMMITMENTS TO UNFPA:
REPORT ON CONTRIBUTIONS BY MEMBER STATES TO
REGULAR AND OTHER RESOURCES FOR 2005 AND FUTURE YEARS**

Report of the Executive Director

Corrigendum

Page 19, ANNEX 3: Major Donors to UNFPA Regular Resources

*The 2005 figures for **Japan** should read*

REGULAR RESOURCES US\$ EQUIV.	OTHER RESOURCES US\$ (Co-financing)	TOTAL (REG. RES. AND OTHER)
37,491,150	6,500,000	43,991,150





**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
22 April 2005

Original: English

Annual session 2005
13 to 24 June 2005, New York
Item 13 of the provisional agenda
Internal Audit and Oversight

UNITED NATIONS POPULATION FUND

UNFPA INTERNAL AUDIT AND OVERSIGHT ACTIVITIES IN 2004*

Report of the Executive Director

CONTENTS

	<u>Page</u>
I. ORGANIZATION AND RESOURCES	3
II. INTERNAL AUDIT AND REVIEW ACTIVITIES.....	4
III. PRINCIPAL AUDIT FINDINGS ON MANAGEMENT AUDITS OF OFFICES AND FOLLOW-UP ACTIONS	5
IV. REVIEW OF AUDITS OF PROJECTS IMPLEMENTED BY GOVERNMENTS AND NON-GOVERNMENTAL ORGANIZATIONS.....	24

* The collection and analysis of current data required to present the Executive Board with the most up-to-date information has delayed submission of the present document.



V. FOLLOW-UP ON IMPLEMENTATION OF RECOMMENDATIONS FROM
PRIOR AUDITS.....30

VI. ATLAS 31

VII. POLICY APPLICATION REVIEW 31

VIII. OVERSIGHT MECHANISMS 34

IX. RECOMMENDATION.....37

1. Pursuant to decisions 2004/17 and 2004/39 on a framework for resolution of issues contained in internal audit reports, and to a request made by the Executive Board at its second regular session in 1996, the Executive Director is pleased to present to the Board a summary of the internal audit and oversight activities of UNFPA in 2004. The present report outlines the key issues raised in the management audits and project audits and the measures taken to address recommendations arising from previous audits. It also outlines the current approach to ensuring the implementation of audit recommendations. Key issues and findings of the Fund's oversight activities are also presented.

I. ORGANIZATION AND RESOURCES

2. With effect from January 2003, the Division for Oversight Services comprises two Branches: (a) the Oversight and Evaluation Branch; and (b) the Audit Services Branch, formerly the UNFPA Audit Section in the UNDP Office of Audit and Performance Review. Authorized posts in the Oversight and Evaluation Branch include one Chief, three Evaluation Advisers and two support staff; and in the Audit Services Branch, one Chief, five Audit Specialists and two support staff.

3. In addition, internal audit services were contracted out to a leading audit firm covering the Asia and the Pacific as well as the Arab States and Europe regions. The contract, at a cost of about \$170,000, was managed directly by the Audit Services Branch. UNFPA also allocated \$187,000 for the cost of audit services administered by the UNDP Regional Audit Services Centre (RASC) in Africa. During 2004, these resources paid for the services provided by two audit specialists. The Audit Services Branch also used individual consultants to supplement its capacity and expand audit coverage.

II. INTERNAL AUDIT AND REVIEW ACTIVITIES

4. The internal audit and review activities carried out during 2004 included the following:

(a) Management audits of eight offices (four in the Africa region, three in the Latin America and Caribbean region and one in the Arab States and Europe region) carried out by the Audit Services Branch with the assistance of one consultant;

(b) Review of 458 audit reports covering 2003 activities for projects executed by Governments and non-governmental organizations (NGOs) carried out by the Audit Services Branch with the assistance of consultants;

(c) Management audits in eight country offices in the Africa region undertaken by individuals assigned to the RASC in Africa;

(d) Contracted audits in four country offices in the Asia and the Pacific region and six country offices in the Arab States and Europe region.

5. The 2004 annual audit work plan was prepared using a risk-analysis approach, taking into account inputs from the Fund's Geographical Divisions. Audit plans were revised periodically to accommodate special requests from management, and to reflect changing circumstances, particularly in the field. Towards the end of the year, the Audit Services Branch expanded its risk assessment model to serve as input to the development of the 2005 audit plan.

6. As part of continuous staff development, the Audit Services Branch staff received training on security and the Atlas software. The Branch staff also attended the Operations Managers training held in August 2004, as well as training on interview techniques, supervision and performance appraisal. Following a proactive and preventive approach, the Branch provided advice to country offices and headquarters units on their follow-up actions to audits as well as on audit requirements for nationally executed projects. The Branch also provided inputs for the drafting of policies on fraud, security and information systems and was regularly consulted whenever systems and procedures for internal controls were reviewed. Furthermore, during 2004, the Branch actively participated as a member of several inter-agency working groups advancing United Nations Development Group (UNDG) initiatives for simplification and harmonization. These working groups created opportunities for inter-agency information sharing as well as for improvements in internal controls.

III. PRINCIPAL AUDIT FINDINGS ON MANAGEMENT AUDITS OF OFFICES AND FOLLOW-UP ACTIONS

7. Of the 18 reports issued in 2004, the level of internal controls and the compliance with financial, administrative and programme requirements were found to be satisfactory in four offices, partially satisfactory in 10 offices and rated deficient in four offices.

8. A total of 743 recommendations were issued in 2004. The breakdown of recommendations by audited area is as follows:

Area	Number of recommendations issued in 2004
Organization and staffing	16
Programme matters	209
Financial operations	111
Personnel administration	153
General administration	200
Office automation	54
Total	743

9. Audit findings are closely reviewed by UNFPA at the most senior level and follow-up actions are undertaken by the concerned parties and monitored by the respective divisions and the Audit Services Branch. UNFPA uses a comprehensive audit and recommendation database system (CARDS) to follow up on the audit recommendations issued as a result of the management audit of offices. When an audit report is issued, the report, the individual recommendations and the comments from management are entered in the database maintained by staff of the Audit Services Branch. The Branch informs the concerned offices of the need to regularly update the status of the implementation of recommendations in CARDS. Starting in 2003, the Geographical Divisions have been provided access to the database and have been entrusted with the responsibility for monitoring the implementation of audit recommendations for offices in their respective region. The Audit Services Branch provides assistance to the country offices and divisions on the use of CARDS.

10. UNFPA is instituting several measures to strengthen its internal control systems. The establishment of the Audit Services Branch within UNFPA facilitated consultations on audit and control issues. The need for country offices to comply with organizational procedures was emphasized by the Branch during the Operation Managers training in August 2004. It is anticipated that the posting of Operations Managers in 44 country offices will enhance country office managerial capacity and contribute to a more consistent application of controls in the field. The Atlas software, introduced in 2004, is helping to strengthen oversight of operations by providing country offices and headquarters with more timely information for decision-making. Moreover, UNFPA is participating jointly with UNDP and UNOPS in an independent review of the internal controls in Atlas. The outcome of this review should help to further improve internal controls in Atlas.

11. Pursuant to Executive Board decisions 2004/17 and 2004/39, presented below in table I is a framework for resolving issues contained in internal audit reports. It should be clearly understood that the issues identified pertain to only some offices and do not apply to all the offices audited. The framework delineates the issues identified in internal audit reports classified by audit area, strategies for addressing the issues, a time frame to address the issue and indicators of progress or completion. It should be noted that the audits cover different countries each year. Therefore, the repetition of some issues from year to year does not necessarily imply that corrective actions had not been taken. Nonetheless, it is recognized that implementation of audit recommendations requires continuous compliance and sustained monitoring.

Table I

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
1.	Organization and staffing			
1.a	The country office organizational chart was either incomplete or inaccurate in 6 out of 18 offices.	Country offices revise their organizational charts to reflect the new typology.	By December 2004, most country offices had implemented the new typology. In some instances, delays were related to vacancies in the post of the UNFPA Representative.	Updated organizational charts are available in the Division for Human Resources.
2.	Programme matters			
2.a	A standard basic assistance agreement (SBAA) to cover UNFPA activities in countries was not signed in 5 out of 18 offices.	In some countries, the Government is reviewing these agreements and this has led to some delays. The Geographical Divisions follow up with the UNFPA Representatives and	Three months after the auditors debriefing meeting at the country office.	Country offices confirm in the comprehensive audit recommendation database system that a letter extending the conditions applicable to UNDP to UNFPA has been signed by the host Government.

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
		Country Directors to ensure that letters are exchanged with the host Government seeking their approval to extend the conditions applicable to UNDP to UNFPA.		
2.b	In 3 out of 18 offices, an appraisal committee meeting was not held to review the programme.	The revised programme guidelines issued in August 2004 emphasize stakeholder participation in the elaboration of the Country Programme Action Plan (CPAP) and annual work plans.	The CPAP is to be signed within one month of the approval of the country programme document. Annual work plans are prepared at the beginning of each year.	Stakeholder comments are incorporated into the CPAP and annual work plans.

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
2.c	The capacity of implementing agencies to manage projects was not assessed in 3 out of 18 offices.	The Geographical Division follows up to ensure that in the future, the country office is using the existing tools available to assess the capacity of implementing agencies to manage projects.	At the time of formulating the draft programme document and prior to working with new implementing agencies.	Reports are available in country offices on the assessment of the capacity of potential implementing agencies.
2.d	Project documents and letters of understanding were signed after the start of project activities in 3 out of 18 offices.	The Geographical Division reminds the country offices of the importance of signing annual work plans and letters of understanding in a timely manner.	Immediately following the debriefing meeting at the country office.	Reduced number of audit observations on the initiation of activities before the signature of the required documents.

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
2.e	Letters of understanding were incomplete in 5 of 18 offices.	Country offices agree to follow the standard letters of understanding in the future and to obtain the relevant information such as the list of authorized signatories and banking details.	Immediately for ongoing projects.	The country office confirms in CARDS that missing information was obtained from implementing agencies.
2.f	In 4 out of 18 offices, resource mobilization plans were not prepared to document the strategy used to raise additional programme resources.	The Geographical Divisions will follow up with country offices to ensure that a resource mobilization plan is prepared.	Two months after the issuance of the audit report.	Resource mobilization plans are available with the Geographical Divisions and the Resource Mobilization Branch.
2.g	Country office costs were charged to projects including the umbrella project in 3 out	Country offices commit to obtaining written approval from project management teams prior to	Immediately following the auditors debriefing meeting at the country office.	Reduced number of audit observations on charging of country office expenditures to projects.

Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
of 18 offices.	charging costs to projects. New guidelines issued in December 2003 allow for additional expenses to be charged to the umbrella project.		
2.h Funds allocated to a project were used for unrelated activities in 4 out of 18 offices.	Country offices commit to ensure that project funds are used in accordance with the project work plan. The introduction of the Atlas software allows project managers to review charges to projects on a regular basis and take corrective	Immediately following the auditors debriefing meeting at the country office.	Decreased number of audit observations on unrelated charges to projects.

Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
	actions where necessary.		
2.i In 2 out of 18 offices, weak monitoring of operating fund account (OFA) balances led to the accumulation of large outstanding balances.	Country offices do not provide new advances until reporting is received for prior advances and follow up with implementing partners to obtain reports for the outstanding advances.	Ongoing.	Country offices report lower outstanding OFA balances. Country offices confirm in CARDS that implementing agencies have provided reports on outstanding advances.
2.j 9 out of 18 offices had not followed up to ensure that management had implemented project audit recommendations.	Country offices in consultation with implementing agencies prepare action plans to implement audit recommendations, and commit to follow up on the actions taken by implementing agencies.	Two months following the preparation of action plans and on a regular basis.	Country offices confirm in CARDS that audit recommendations have been implemented. Fewer observations are made by the project and internal auditors on weak monitoring of the implementation of

Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
			previous audit recommendations.
2.k Monitoring requirements, including a monitoring and evaluation plan and field visits were not met in 7 out of 18 offices.	Revised guidelines were issued in July 2004 on programme monitoring and evaluation. They allow for some flexibility based on country-specific situations and capacities. Monitoring activities are included in the monitoring and evaluation plan and the office management plan. The monitoring and evaluation plan provides details on the specific monitoring and evaluation activities to be conducted.	Immediately following the issuance of the audit reports.	Country offices confirm in CARDS that programme monitoring requirements were met.
2.l Project closure procedures	Country offices increase efforts to	Ongoing.	Projects are financially closed within 12

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
	were not fully complied with in a timely manner in 7 out of 18 offices.	close projects in a timely manner and the Finance Branch strengthens its monitoring over projects.		months following operational completion. Country offices report progress in CARDS.
3. Financial operations				
3.a	In 5 out of 18 offices, weak monitoring of expenditure under the biennial support budget and programme budget led to overexpenditures.	The implementation of Atlas will strengthen monitoring in this area; project managers and staff can monitor the status of activities in real time with transactions being reflected immediately including transactions processed by headquarters. Country offices review expenditure on a regular basis.	Ongoing.	Fewer audit observations on the weak monitoring of the biennial support and programme budgets.

Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
3.b 7 out of 18 offices had instances of inadequate supporting documents for payments, such as purchase orders, invoices, receiving and inspection reports or evidence of satisfactory receipt of services.	Offices are reminded that all disbursement vouchers should be supported by adequate documents that attest to the validity of the transactions and to the satisfactory receipt of goods or services in accordance with the contract or purchase order. The recruitment of Operations Managers will strengthen this area.	Immediately following the auditors debriefing meeting at the office.	Fewer audit observations on the inadequacy of supporting documents for payments.
3.c 4 out of 18 offices had inadequate segregation of duties over the payment and procurement processes.	The internal control framework in Atlas requires that the committing and verifying officers for transactions be different staff members and	Immediately following the auditors debriefing meeting at the offices.	Offices confirm that different individuals certify the receipt of goods and services and approve the payments.

Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
	provides for adequate segregation of duties over transactions.		Monitoring reports in Atlas do not show any cases of inadequate segregation of duties.
3.d Cash and travel advances to staff were not accounted for in a timely manner in 8 out of 18 offices.	Offices commit to increase monitoring of advances made to staff and to recovering the advances from staff salaries if advances are not accounted for.	Three months following return from mission or completion of activity.	Offices confirm in CARDS that outstanding advances were accounted for.
4. General administration			
4.a 4 out of 18 offices had not strictly adhered to the procedures for obtaining quotations for the procurement of some goods costing between \$2,500 and \$30,000.	The need to strengthen this area was stressed during the Operations Managers training in August 2004.	After the training of the Operations Managers in August 2004 and immediately after the auditors debriefing meeting at the country offices.	Reduced number of audit observations on lack of adherence to procedures requiring quotations.

Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
4.b Inventory reports were either incomplete or not prepared in 11 out of 18 offices.	On 22 October 2004, offices were requested to validate the 2003 inventory reports and to forward them to headquarters.	By 30 November 2004 for the 2003 inventory.	The 2003 inventory records were received at headquarters and the data was transferred into Altas.
	With the introduction of Atlas, the equipment will be recorded in the inventory at the time of receipt.	The assets module became operational at the beginning of 2005.	Offices perform an annual physical inventory and periodically check their inventory records for accuracy and completeness.
4.c In 6 out of 18 offices, travel services were not covered by a contract.	Country offices are reminded to ensure that a competitive process is initiated with other United Nations agencies to identify a suitable travel agency.	Country offices to initiate discussions with other United Nations agencies within two months of auditors debriefing.	A contract is signed with a travel agency following a documented competitive process and progress is reported in CARDS.
4.d 3 out of 18 offices need to	In October 2004, the Fund issued a	Ongoing.	Offices meet minimum operating security

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
	strengthen security measures.	Field Security policy setting out the rules and responsibilities of each staff member to ensure the security and safety of assets and staff. The creation of posts of Security Adviser at headquarters and Regional Security Specialists will further contribute to improving security in the field. The offices seek the assistance of the Field Security Officers assigned to duty stations to identify weak areas.		standards.
4.e	The personal use of vehicles	Country offices will establish a	Recovery within one month of	Country offices report progress towards

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
	and of telephone facilities was not always recorded and recovered in 9 out of 18 offices.	system to identify and recover costs for the personal use of vehicles and office telephones.	identifying personal use of office vehicles and telephone facilities.	establishing a monitoring system that clearly assigns responsibilities in CARDS. Recoveries can be verified in Atlas.
5.	Personnel administration			
5.a	The performance appraisal review process was not followed in 9 out of 18 offices.	A new performance appraisal and development system (PAD) was implemented in January 2004. Focal points from the Division for Human Resources are following up to ensure compliance with requirements.	The performance appraisal and development system for 2004 is completed by 31 May 2005.	The Division for Human Resources confirms compliance of country offices with the PAD requirements.
5.b	There were staffing constraints in 4 out of 18 offices due to	Some offices will use the services of recruitment firms to accelerate the	Six months following the auditors debriefing meeting at	Offices confirm in CARDS that all posts are filled.

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
	delays in recruitment for vacant posts.	recruitment process. Offices commit to increasing efforts to complete the recruitment.	the office.	
5.c	Procedures for the recruitment, evaluation and reporting on services provided under service contracts and special services agreements were not complied with in 14 out of 18 offices.	The need to strengthen this area was stressed during the Operations Managers training in August 2004. Offices commit to following a competitive recruitment process, preparing performance evaluations for individuals on service contracts and special services agreements and meeting reporting requirements.	Immediately following the auditors debriefing meeting at the office.	Offices report progress in CARDS.

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
5.d	8 out of 18 offices were not preparing training plans, or the training plans were not always based on the results of the performance appraisal system.	Training is included in the planning phase of the performance appraisal and development system. The office training plan will be prepared early in the year and its implementation monitored.	By 31 March 2005.	Offices report completion of training plans in CARDS.
6.	Office automation			
6.a	In 3 out of 18 offices, unlicensed software was installed in some computers.	UNFPA purchased a global license for Microsoft Office Professional software. This license covers core staff. Additional licenses will be purchased for project staff.	Immediately for core staff. For project staff, within two months of the auditors debriefing meeting.	All software is covered by licenses.

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
6.b	8 out of 18 offices were not ensuring that regular backups were performed and that a copy of the backups was kept offsite.	The Geographical Divisions and the Management Information Systems Branch remind offices of the procedures that require regular backups of critical information and keeping a copy of backups offsite.	Immediately following the auditors debriefing meeting at the office.	Offices report on action taken in CARDS.

IV. REVIEW OF AUDITS OF PROJECTS IMPLEMENTED BY GOVERNMENTS AND NON-GOVERNMENTAL ORGANIZATIONS

12. The audit coverage for expenditures incurred under government and NGO implementation for the year 2003 was 87 per cent. However, 30 per cent of the reports submitted to headquarters had a qualified opinion. The audit qualifications pertained mainly to the need to strengthen the internal control structure over project operations.

13. Through inter-agency mechanisms, the Audit Services Branch is contributing to the development of common instruments to assist country offices in managing the conduct of audits. These instruments include terms of reference for the conduct of audits and guidance in the selection of auditors. In addition, a checklist was developed by the Branch to assist country offices in monitoring compliance with the audit requirements.

14. As of 1 February 2005, 820 audit reports had been received. In its review of 458 audit reports for projects executed by Governments and NGOs in 67 offices, the Audit Services Branch made note of the following points.

15. Adequacy of the audit plans submitted by the country offices/divisions. Audit plans were to be submitted by 31 October 2003, showing details of the projects to be audited, implementing agencies, estimated expenditures to be incurred and to be audited, the terms of reference for the audits and the estimated audit costs. Audit plans were received from 128 offices. This is an improvement over 2002 when only 99 audit plans were received. The audit plans were satisfactory in 70 offices and partially satisfactory in 58 offices. The audit plans that were rated partially satisfactory did not include some of the above-mentioned information.

The Audit Services Branch followed up with the concerned country offices and divisions to ensure that the required information was provided and included in the database maintained by the Branch.

16. Adequacy of audit scope. Project audits should address areas such as: project internal controls, accounting books and records, certification statements, and the periodic financial reports. The audit scope was satisfactory in 45 offices and partially satisfactory in 22 offices. The audit reports where the scope was rated partially satisfactory had not addressed some of the above-mentioned areas. The Audit Services Branch provided country offices and divisions with specific feedback in an effort to ensure that future audit reports cover the scope required by the UNFPA Financial Manual.

17. Completeness of audit reports. Audit reports should convey the auditors' findings, recommendations and overall opinion, as well as the implementing agencies' management comments. The audit reports should also be accompanied by certified copies of all the financial reports and, where an implementing agency is also managing funds provided by other donors, a separate audit report is required for the funds provided by UNFPA in all cases except for six NGOs with which UNFPA has concluded agreements. These six NGOs present their audited financial statements to UNFPA headquarters. Reports submitted were complete in 12 offices. Reports did not meet some of the requirements in 53 offices and were deficient in two offices.

18. Timeliness of audit reports. The audit reports were to be submitted to the Audit Services Branch by 31 March 2004. Of the 820 reports received, 458 audit reports (56 per cent) were submitted on time or shortly after the deadline and 362 audit reports (44 per cent) were submitted late. This represents an improvement of 11 per cent over the previous year.

19. Certification of financial reports. Financial reports should contain certification statements signed by authorized officials of the implementing agencies. The purpose of the statements is to certify the correctness of the information contained in the financial reports. These reports were properly certified in 51 offices. Some reports were not certified in 13 offices and none of the reports were certified in three offices. The concerned offices were duly notified of the need to ensure certification. The Audit Services Branch will continue to monitor this area.

20. Adequacy of the country offices' assessment of the audit reports and action plans. According to the Financial Manual, country offices should review audit reports and prepare an assessment of their compliance with audit requirements. Where there are adverse audit findings, offices are expected to discuss solutions with the implementing agencies and agree on action plans. The assessment of audit reports and the preparation of action plans were satisfactory in 16 offices; in 19 offices, either the assessment of audit reports or the action plan was missing; and in 32 offices they were unavailable. Efforts made by the offices and implementing agencies to implement the recommendations and strengthen the internal controls over projects were noted. The tendency was to draw on feedback from the Audit Services Branch to prepare the action plan afterwards. The offices appreciate the feedback received from the Branch, as it enables them and the project authorities to better address identified weaknesses. Feedback also serves to impress upon the offices the importance of timely planning of project audits and of regular follow-up to the implementation of the auditors' recommendations. This point is also stressed during the management audits of country offices and divisions.

21. The Audit Services Branch reviewed a sample of project audit reports prepared by project auditors. The salient issues identified in these audit reports, the strategy for addressing them, the time frame, as well as the indicators of progress or completion are reported below in table II. It should be noted that the term "office" refers here to both country offices and divisions at headquarters.

Table II

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
1.	Quotations were not obtained when procuring equipment or supplies.	Offices are reminded to follow up with the implementing agencies to ensure that quotations are obtained to strengthen internal controls over procurement and ensure that the procurement function is performed with due regard to economy.	Immediately following receipt of the audit reports.	Operations Managers or Finance staff in the offices perform some tests and confirm in their monitoring visit reports that the recommendation has been implemented.
2.	Project inventory records were either not prepared or were incomplete.	During project visits, offices ensure that project management performs a physical inventory and maintains accurate and complete records.	Two months from receipt of the audit reports.	Operations Managers or Finance staff perform tests and confirm in their monitoring visit reports that the inventory records are maintained and are complete.
3.	Bank reconciliations were not prepared or were prepared late.	At the initiation of programme activities, Operation Managers or Finance staff will brief national project staff on UNFPA financial requirements, and provide additional training and support as required. This training will	One month following receipt of the audit reports.	Operations Managers or Finance staff review a sample of bank reconciliations and confirm in their monitoring visit reports that they are prepared on time.

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
		include the preparation and review of bank reconciliations.		
4.	Supporting documents for payments were missing.	Offices obtain the missing supporting documentation from project management for review. In the event that no documentation is provided, the expenditures will be deducted from the expenditure reports. The requirements for supporting documentation will be explained to project management.	Two months following receipt of the audit reports.	Operations Managers or Finance staff perform tests on the supporting documentation to payments and confirm in their monitoring visit reports that they meet requirements.
5.	Project financial reports were either inaccurate or missing.	Offices obtain and review the missing reports. Inaccurate reports are returned to implementing agencies for correction.	One month from issuance of the audit reports.	Fewer audit observations that project financial reports were either missing or inaccurate.
6.	Accounting records were not well maintained in some projects.	Offices meet with the implementing agencies to explain the accounting records requirements and follow up to ensure that proper books of accounts are kept.	Immediately following the receipt of the audit reports.	Operations Managers or Finance staff perform tests on accounting records and confirm in their monitoring visit reports that they are kept and are accurate.

	Issues identified in audit reports	Strategy for addressing the issue	Time frame	Indicator of progress/completion
7.	Project budgets were exceeded or budget revisions were not authorized by UNFPA.	Offices commit to exercise closer monitoring over project budgets.	Immediately following the receipt of the audit reports.	Fewer audit observations on projects exceeding their budgets or on unauthorized budget revisions.
8.	Invalid charges were made to some projects.	Offices remove the invalid charges from the financial reports and explain to the project management the nature of acceptable expenses that can be made under projects.	Two months after receipt of the audit reports.	The financial reports reflect the adjustments made to reverse the invalid charges.
9.	Financial reports on sub-contracts were not received in order to monitor the sub-contractors performance.	Offices meet with project managers and explain the monitoring requirements under sub-contracts.	Two months following receipt of the audit reports.	Operations Managers or Finance staff review some financial reports received from contractors and confirm their completeness and accuracy in their monitoring visit report.

V. FOLLOW-UP ON IMPLEMENTATION OF RECOMMENDATIONS FROM PRIOR AUDITS

22. Since 2003, the Geographical Divisions have had access to a web-based audit recommendations management system, to enable them to monitor the status of implementation of audit recommendations in their respective regions. This places accountability with the division management to ensure that audits are followed up, and to detect lack of action or constraints in order to provide the necessary support and guidance. It also enables the Directors to take the follow-up on audit recommendations into account in the assessment of staff performance.

23. An analysis of the status of implementation of the 2004 audit recommendations by the Geographical Divisions revealed that 95 per cent of the recommendations made to the country offices were either addressed or were in the process of being implemented. Only 5 per cent of the recommendations were either open, disputed or without demonstrable action.

24. In a few instances, country offices had not updated the status of implementation of audit recommendations in CARDS. This was partly attributable to technical issues related to access to the system as well as a lack of familiarity with CARDS. The Audit Services Branch is addressing these issues and with the full complement of staff in 2005, the Branch will increase its support to the Geographical Divisions in ensuring that country offices use CARDS and that the divisions provide timely and constructive feedback to country offices.

25. Geographical Divisions recognized in their analyses, that many of the audit recommendations require continuous monitoring, including follow-up whenever division staff visits country offices. Follow-up on previous audits is also an integral part of the scope in subsequent management audits.

VI. ATLAS

26. Prior to implementing the Atlas software, connectivity and hardware in country offices had to be upgraded. The year 2004 was the first full year of using Atlas. Difficulties were experienced at the beginning due to initial system instability. In addition, staff members had to be trained in the use of the system. UNFPA provided training to Operations Managers to strengthen country office capacity. UNFPA also offers web-based training on a continuous basis to all staff. Through Atlas, functional roles and processes were established and defined in a new internal control framework.

27. The Atlas software enabled the organization to have access to data in real time and therefore some of the weaknesses identified in previous management audits were eliminated. It also allowed for consistent implementation of procedures in all offices. Furthermore, the system enabled managers to access various reports, and focus on key management issues. With the introduction of Atlas in all offices, a central disaster recovery plan for the computer system was implemented that ensured the restoration of access to the system within one day and with a maximum loss of four hours of data.

VII. POLICY APPLICATION REVIEW

28. In 2004, the Oversight and Evaluation Branch conducted a policy application review of one country programme in the Asia and Pacific region. The objectives of these reviews are to ensure accountability at all levels of decision-making within the Fund's decentralized working environment and to ascertain a results-based orientation in UNFPA operations at headquarters and field levels. These reviews are conducted by senior staff to examine in depth the process of programme development and management taking into

consideration the roles played by concerned country offices, headquarters staff, as well as the country technical services teams (CSTs). Each review examines the steps taken to achieve the UNFPA mission, particularly in promoting the implementation of the Programme of Action of the International Conference on Population and Development (ICPD), and the part the country office plays within the United Nations resident coordinator system. The opportunity is used to assess the relevance and ease of understanding of UNFPA policies and procedures, and to identify areas where greater clarity in programme policy and technical guidance are needed.

29. The policy application reviews provide senior management with information on the Fund's performance in selected countries, as well as recommendations for improvement. At the same time, they provide an opportunity for field staff to give feedback on the nature and quality of support they receive from headquarters and the CSTs. The outcome of policy application reviews is presented to the UNFPA Oversight Committee, which is chaired by the Executive Director. Issues of concern are discussed and follow-up action agreed upon in response to each review. Responsible parties in the field and at headquarters, as appropriate, are designated and the concerned divisions are accountable for implementing follow-up action and reporting on the outcome of these efforts. The Oversight and Evaluation Branch monitors and reports to the Oversight Committee on follow-up action at the organizational level.

30. The review conducted in 2004 was of a category "A" country in which UNFPA support made the transition from humanitarian assistance to development assistance with the formulation and implementation of the first programme of assistance. Securing funds to support humanitarian operations had been a challenge. Nevertheless, with limited resources, UNFPA played an important role in coordinating and monitoring emergency reproductive health assistance. The review garnered important lessons for UNFPA in developing its guidelines for future interventions in emergency situations.

31. A UNFPA Representative covered the newly established country office. Through various project initiatives the country office had supported the Government in implementing the ICPD Programme of Action, contributing significantly to an urgent call to address gender-based violence, including domestic violence, by supporting community education activities, public awareness campaigns, and working with the police and the judiciary to increase their capacity to deal effectively with domestic violence situations. It contributed to the approval of the new draft law on domestic violence and coordinated a strategy resulting in the approval of a national family planning policy by the Ministry of Health. The Government explicitly recognized the relevance of the Millennium Development Goals (MDGs), and MDG targets for the country were the same as national development goals. The collection of data necessary to monitor and report on the goals was, however, still the subject of discussions among donors.

32. UNFPA was a very active and valued member of the United Nations Country Teams (UNCT), and had participated in inter-agency committees covering common premises, administration and information/media relations as well as inter-agency theme groups on capacity development, gender, HIV/AIDS and human rights. The country office had participated in common country assessment (CCA) working groups as well as in the completion of the country's first United Nations Development Assessment Framework (UNDAF) document, prepared in parallel with the nation's first National Development Plan. UNFPA had also participated in UNCT retreats organized to review progress made in the implementation of UNDAF. The United Nations house had been inaugurated in 2000. The sharing of common premises had facilitated good inter-agency coordination.

33. The review found that the UNFPA programme of assistance had helped to establish structures and systems needed for development through strengthening capacity of health care providers and providing equipment, supplies and contraceptives. Important efforts had been under way to build the institutional and managerial capacities of the Ministry of Health in terms of standard setting and enhancing the capacity to

collect data for improved monitoring. The Government and donors valued UNFPA because of its focus on maternal mortality reduction and the impetus the Fund had given in the drafting of domestic violence legislation. UNFPA was also recognized as an advocate for community organizations and NGOs. The Fund's comparative advantage in data collection, in particular, the conduct of a first census, was also appreciated. UNFPA had collaborated closely with WHO and UNICEF to provide training for midwives, as well as courses on family planning techniques and counselling, and on recognition of cases requiring referrals. UNFPA and UNICEF had cooperated in the training of trainers' class for national policy instructors on domestic violence and child protection. They also worked with the Ministry of Health on a nationwide campaign to promote safe motherhood.

34. In general, the review noted that the country office needed to adhere more systematically to established programme planning and monitoring procedures. Logical frameworks had not been used for monitoring purposes because of the lack of data at the different results levels. Although the country office understood the importance of engaging national counterparts in programme management, they found it difficult to do so because of the limited national capacity. The country office had relied primarily on the use of United Nations Volunteers (UNV) and some international experts to meet the technical backstopping needs for UNFPA-supported activities. Use of the UNV modality had been particularly helpful because many of the UNVs spoke the requisite languages and were able to provide on-the-job training and coaching.

VIII. OVERSIGHT MECHANISMS

35. In 2004, the Fund's Oversight Committee, Management Committee and Programme Committee continued to play an important role in improving accountability, oversight and organizational performance.

The objectives of these three oversight mechanisms were described in a previous report (DP/FPA/2004/6). The main activities undertaken by the committees in 2004 are outlined below.

The Oversight Committee

36. The Oversight Committee met regularly in the course of 2004. The Committee focused on a discussion of the Fund's response to the recommendations of the management letter from the United Nations Board of Auditors on the interim audit of UNFPA, as well as the Fund's response to the United Nations Board of Auditors' final report on UNFPA accounts for the period ending 31 December 2003. The importance of ensuring follow-up action by the concerned units was stressed.

37. The Oversight Committee was briefed on the outcome of a policy application review exercise conducted in 2004. Committee members were also briefed on follow-up action concerning reports on cases of fraud or presumptive fraud. Issues of concern to UNFPA globally were discussed and agreed upon. Meetings were used to review and adjust plans for internal audits. The committee also agreed to expand its membership to include the Director of the Division for Human Resources.

The Management Committee

38. In 2004, the Management Committee regularly monitored the status of financial resource utilization and year-end expenditure projections and recommended corrective and follow-up action when needed. The committee also reviewed and decided on courses of action to address various issues related to the Atlas system that was introduced in 2004. In addition, the committee reviewed drafts of the revised financial regulations and changes to the policy on cost-recovery of indirect costs related to

co-financing. These reports were presented to the Executive Board at the first regular session in January 2005.

39. Security was made a standing item on the agenda of the Management Committee to highlight the need to enhance UNFPA efforts in this area. The work of the committee included reviewing drafts of the Field Security Policy and reviewing proposals to include security concerns in audit reviews.

40. During 2004, the Management Committee reviewed draft versions of new and revised versions of existing management-related policies and procedures, including, but not limited to, an information technology policy, a translation policy, procurement procedures and a directory maintenance policy. The approved policies and procedures are available for all staff on the UNFPA intranet under the Policies and Procedures Manual. The committee also functioned as a sounding board for discussions on various aspects of results-based management, including the Fund's management-for-results framework.

The Programme Committee

41. The Programme Committee met on a monthly basis to discuss a range of policy and procedural issues pertaining to UNFPA programme strategies and operations. In particular, the committee reviewed and approved revised chapters of the Policies and Procedures Programme Manual, which has now been updated in line with the harmonization initiatives led by the UNDG. The Programme Committee discussed policy development related to capacity development, humanitarian response and the substantive areas of UNFPA operations: reproductive health, population and development, gender, human rights and culture.

42. The Programme Committee reviewed the implementation of existing policies and guidelines, including the intercountry programme and the knowledge-sharing strategy. It oversaw the preparation of a quality assurance action plan that will serve as a comprehensive guide for headquarters units to support the programming process at the country level. Under the aegis of the committee, work was also initiated to develop a programme information management system to support the programme elements of Atlas Wave II.

IX. RECOMMENDATION

43. The Executive Board may wish to take note of the present report (DP/FPA/2005/9) and comment on the reporting format.

* * * * *



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
18 April 2005

Original: English

Annual session 2005

13 – 24 June 2005, New York

Item 14 of the provisional agenda

Programming process

**UNITED NATIONS DEVELOPMENT PROGRAMME
UNITED NATIONS POPULATION FUND**

**REPORT ON PROGRESS IN IMPLEMENTING DECISION 2001/11: ADDRESSING THE ISSUE OF
THE TIME FRAME FOR DEVELOPING COUNTRY PROGRAMME DOCUMENTS**

Report of the Administrator and the Executive Director

I. BACKGROUND

1. This report has been prepared in response to decision 2004/18, in which the Executive Board requested UNDP and UNFPA to consult with their partners in the United Nations Development Group (UNDG) on how to address, in a harmonized way, the increased time frame for developing country programmes and to report to the Board in 2005.
2. At the annual session 2004 of the Executive Board, UNDP and UNFPA presented a joint progress report (DP/2004/29-DP/FPA/2004/7) on progress in implementing decision 2001/11 on the UNDP/UNFPA programming process. The common country programming process is producing a more unified and strategic vision for country-level operational activities. However, the gains have not been as great as anticipated. Feedback from a number of sources points to the heaviness of the preparatory process and its lengthy duration (two years in a typical five-year cycle).
3. This document presents a number of proposals aimed at shortening the time needed to prepare and approve country programme documents. The document also proposes options for the future, which could shorten further the time frame between preparation and implementation. However, these options would require major changes to the current Executive Board approval process for the UNDG Executive Committee agencies. They will also require further consultation among the agencies and with their respective Executive Boards. UNDP and UNFPA seek guidance from the Board on these proposals, including on how to proceed with more far-reaching reforms for the future.



II. STREAMLINING THE TIME FRAME FOR PREPARING AND APPROVING COUNTRY PROGRAMME DOCUMENTS

4. The rationale for considering a reduction in the time frame for developing and approving country programme documents is to avoid their becoming outdated by the time of their approval. Currently, a United Nations country team begins the analytical process two years prior to actual programme implementation. The goal of such a reduction is to ensure high-quality processes and documents that improve the timeliness and relevance of United Nations programmes, while ensuring adequate formal approval for them.

Shortening the preparation time for country programme documents

5. United Nations country teams are being advised to shorten the time frame for preparing country programme documents. This means starting the process later – that is, closer to the start of implementation – and reducing the time to complete the common country assessment (CCA). The updated guidelines for the CCA and United Nations Development Assistance Framework (UNDAF) encourage United Nations country teams to begin the process no earlier than June, which is 18 months before the start of the programme (six months later than in the previous guidelines). The CCA is to be completed in three months. United Nations country teams are encouraged to make use of existing CCAs and other analyses, including poverty reduction strategies and United Nations agency reports.

6. To maintain and improve the quality of strategic planning, it would be difficult to develop the UNDAF in less than three months. Likewise, it would not be advisable to shorten the preparation time for country programme documents based on the UNDAF and its results matrix, as this could jeopardize the review with national partners and other stakeholders. The UNDAF would therefore start in September and be completed by the end of December. As is currently the case, the country programme documents would then be finalized and submitted to their respective organizations by March for review by the Boards in June.

7. A much shorter process could undermine the quality of the products and jeopardize participation and ownership by national governments and their partners. The above proposal seeks to balance the need to minimize the duration of the process with the need for high-quality products and ownership. Furthermore, the UNDG has put in place measures to offset the possible negative consequences of shortening the CCA process by providing high-quality, timely regional support and quality assurance through regional peer review groups.

Reducing the time required by the Executive Board to approve country programme documents

8. While fully respecting the right of the Board to review and comment on draft country programme documents, there may be scope, if the Board so wishes, to reduce the amount of time required between the submission of draft country programme documents and their approval by the Board. This period currently totals nine months – between the initial submission of draft country programme documents to the United Nations for translation and processing for the June session and their approval at the first regular session the following January.

9. This nine-month interval could be shortened if the Executive Board approved country programme documents at the first Board session following the session at which the draft country programme documents were submitted initially. This would reduce the approval period to approximately six months. This interval could be reduced further if the Executive Board used an electronic approval method to replace the current formal approval process that takes place at the first regular session in January.
10. To date, the majority of country programme documents have been approved without further discussion at the January sessions of the Executive Board. The current procedure, as per decision 2001/11, is that each country programme document is approved in January on a no-objection basis without presentation or discussion, unless at least five members of the Board have informed the secretariat in writing prior to the session of their wish to bring a particular country programme document before the Board.
11. That same procedure could apply to an electronic approval process. The Board might wish to approve country programme documents automatically within two months of the Executive Board session at which the country programme document was submitted, unless five or more Board members have indicated via e-mail their wish to bring the country programme document before the Board for further discussion. This two-month period is considered sufficient for the country programme document to be revised, if necessary, in light of comments made when the Board reviewed the document and for the revised country programme document to be posted on the websites of the Executive Board secretariat.
12. This proposal would reduce the approval period from the current seven months to two months. It would also avoid having to schedule the formal approval of country programme documents as an agenda item for Executive Board sessions. Instead, a country programme document would appear on the agenda a second time only if five or more Board members requested further discussion of that country programme document.

III. FURTHER SIMPLIFICATION AND STREAMLINING OF THE COUNTRY PROGRAMME PREPARATION AND APPROVAL PROCESS

13. The above proposals – to shorten both the time needed to prepare and approve country programme documents – generate significant savings in time. The measures proposed require guidance from the respective Executive Boards. There is consensus within the UNDG Executive Committee agencies that such measures are feasible if desired by the respective Boards.
14. Initial discussions have taken place among the Executive Committee agencies concerning more far-reaching options. These ideas, presented below, require further discussion among the agencies at headquarters and in the field; they also require major changes in the current procedures that the respective Executive Boards have adopted. As such, they should be considered only as initial contributions to the debate.

Greater flexibility in submitting draft country programme documents to any Board session

15. Additional savings in time could occur if a more flexible approach to submitting draft country programme documents were acceptable to the respective Executive Boards. Currently, the majority of draft country programme documents are submitted for review at the annual session in June. In exceptional

cases, draft country programme documents may be submitted to the second regular session in September, when country circumstances warrant. In such cases, the United Nations country team as well as the respective UNDG regional directors must agree that the draft country programme document may be presented in September instead of June. In cases where the Executive Board reviews a draft country programme document at the September session, the approval time by the Board is reduced to three months so that the programme may begin the following January.

16. One option would be to allow, as the norm, the submission of draft country programme documents to the September session, in order to further shorten the gap between programme preparation, approval and implementation, because the process could begin an additional three months later. In such a scenario, CCAs would begin in September; the UNDAF would be finalized in March; and the draft country programme documents would be submitted to their respective organizations in May, for editing and onward transmittal to the United Nations. For this to occur, current procedures within the different Executive Boards and Executive Committee agencies would have to be revised.

17. A more far-reaching issue for discussion is whether or not country programmes should be able to follow national cycles rather than having all of them begin their cycles in January, and whether or not country programme documents could be presented on a more flexible basis, not just at the annual session in June or at the second regular session in September. The principle underlying the timing of a country programme could become one that reflects as closely as possible the national planning cycle of the country concerned.

18. Not all countries have planning and/or national budgeting cycles that commence in January. Several countries begin their fiscal and planning years in July, for example. While it may be difficult to link the Executive Board country programme approval process to the preparation of government planning processes at the national level, which may be prone to delay, the flexibility to ensure as close a link as possible (as recently underlined in the Paris Declaration on Aid Effectiveness adopted at the High-Level Forum in March 2005), should be taken into consideration. At the very least, the development and implementation of country programmes should be aligned to support national processes and priorities by offering substantive support throughout the national planning and implementation processes.

Simplifying programme preparation

19. The country programme preparation process currently requires the elaboration of a CCA and UNDAF as well as a country programme document and a country programme action plan for each UNDG Executive Committee agency. One proposal that might be considered would be to eliminate the country programme document in its current format and replace it with a common country programme document for all United Nations agencies, based on the UNDAF and its results matrix. Alternatively, if the UNDAF and its results matrix were revised, they could be used as the common country programme document. For either of these two reforms, questions remain about how and where a governing body would approve the operations of a United Nations entity in a country. One option might be for each Executive Board to review the elements of the UNDAF and the results matrix that pertain to the respective agency, together with a summary of programme resource allocations.

20. Through its work on the joint office model, the UNDG Executive Committee agencies are considering the programme implications of a more streamlined common country programme. Experience

from this pilot project will inform discussions within the undg programme group on how to simplify further the programme preparation process. The undg programme group is also gathering experience from United Nations country teams on the steps that could be taken to simplify existing procedures.

21. Such proposals require full discussion within and across the organizations concerned. At this stage, the Executive Board is invited to provide guidance, including on time frames that may guide the ensuing discussions in United Nations funds, agencies and programmes, so that specific proposals to simplify further the country programming process may be submitted. From 2008, all country programmes are expected to apply common programming procedures under harmonized cycles; therefore, a decision from the respective Boards on the timing and nature of further simplification for the preparation and approval process of country programme documents would be most welcome.

IV. RECOMMENDATION

22. The Executive Board may wish to take note of the present document (DP/2005/28-DP/FPA/2005/10) and provide guidance on the timing and nature of further simplification for the preparation and approval process of country programme documents.
